



Vigor Marine LLC

3410 Terminal Ave.

Everett, WA 98201

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June 2, 2007

Majestic America Line
2101 4th Ave, Suit 1150
Seattle, WA 98121

Attn: Mr. Nico Corbijn, Senior Vice President, Marine Operations
Cc: Mr. Randy Burns, Executive Vice President

Subject: EMPRESS OF THE NORTH Grounding Damage Repair Project
Reference: Email to Randy Burns and Nico Corbijn dated June 01, 2007
Vigor Marine LLC Work Order Contract dated June 2, 2007

Mr. Nico Corbijn:

In accordance with the above referenced documents, we offer our pricing for the steel damage repairs to the EMPRESS OF THE NORTH as follows:

Ketchikan Repairs

Initial assessment trip & Layout	\$37,650
Air fare, Hotel & per diem	\$63,250
Setup / transportation & Equipment	\$11,960
Steel Repair	\$203,400

Portland Repairs

1. Services

Receive vessel, tie up and berthage:	\$4,210
Block-Dock & Undock:	\$29,032
Drydock fees:	\$19,072
Linehandlers:	\$7,088
Oil Boom:	\$2,875
Chemist & CP:	\$43,675
Fire Protection:	\$4,576
Gangways:	\$3,942
Garbage:	\$3,795
Shore Power:	\$23,448
Crane, forklift & misc transp:	<u>\$109,728</u>
<i>Total Services:</i>	<i>\$251,441</i>

2. Miscellaneous

Clean & gas free tank & voids:	\$9,772
Lighting and ventilation:	\$19,814
Internal coating iwo welds:	\$19,688
Misc Staging:	\$28,511
Temporary shell accesses:	\$17,480

Setup services and run leads:	\$26,520
Final cleanup prior to undocking:	\$24,480
Hull B&C iwo repairs:	\$52,225
Air fare, Hotel & perdiem for outside labor:	\$69,000
<i>Total Miscellaneous:</i>	<i>\$267,490</i>

3. Steel Repairs	<u>\$1,678,875</u>
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<i>Grand Total:</i>	<i>\$2,514,066</i>
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Our price includes installation of steel coated with a weldable primer. Internal coatings shall be addressed by preparation and coating of disturbed coatings and weld seams upon completion of repairs. External coatings shall be addressed with a commercial blast to all affected areas and application of a coating system equal to the existing.

A significant amount of outsourcing will be necessary in order to fulfill the manning needs required to accomplish the work in the desired schedule. Travel, mobilization costs, temporary housing, daily subsidiaries as well as the costs for certifying the qualified welders to existing yard procedures are included in the pricing.

Vigor Marine's price does not include the cost for the installation or procurement of lead ballast or for the expected thruster repair. These items will be priced upon completion of inspection and confirmation of work scope.

We estimate the completion of the work to be on or before June 28 in accordance with the referenced email dated June 01, 2007. The repair will have the full attention of our management, as well as our skilled supervisory resources and all efforts will be made to expedite the delivery of the vessel.

Payment terms and other terms and conditions are to be in accordance with Vigor Marine LLC Work Order Contract dated June 02, 2007. Negotiation and settlement of the final bill shall be completed prior to the departure of the vessel.

We appreciate the opportunity to be of service and look forward to a mutually successful contract.

Your signature below signifies agreement with this proposal.

Mr. Nico Corbijn, Senior Vice President, Marine Operations
Majestic America Line

Sincerely,



Rene Doiron
Vice President Ship Repair
Vigor Industrial LLC